

**Town of Wethersfield
Insurance Committee Minutes
February 26, 2009
Town Managers Conference Room**

The meeting was called to order by Chairman Mike Fortunato at 5:30PM.

Attendance:

Mike Fortunato, Chairman, Sey Adil, Paul Meade, Matthias DeAngelo, Polly Moon (arrived at 5:37PM), Chris Bazinet (arrived at 5:59PM), Jeff Kotkin-Town Council Liaison (arrived at 5:35PM), Lisa Hancock-Director of Finance, Karen Clancy, Director of Business Services, BOE, Chris Monroe - Savino, Sturrock & Sullivan, Greg Bedula - TD BankNorth Insurance, Stephen Ziegelmayr – CIRMA, Steven Bixler – CIRMA, Bruce Clinger – CIRMA, and Jeff Grundt – CIRMA.

Excused Absences: Chris Lyons

Public Comments:

No one was present from the public for comment.

Approval of Minutes:

Paul Meade moved for the approval of the minutes from the meeting on January 15, 2009; seconded by Sey Adil. Motion carried; 1 abstention by Matthias DeAngelo.

Jeff Kotkin arrived at 5:35PM

Reports from Agents of Record:

Greg Bedula – TD BankNorth Insurance

Greg Bedula introduced representatives from CIRMA. Stephen Ziegelmayr provided an overview of CIRMA.

Polly Moon arrived at 5:37PM

Stephen Ziegelmayr discussed the Town and BOE's Strategic Risk Management Plan:

1. To develop a centralized Safety Committee for BOE; which is already in process.
2. To update Worker's Compensation Stewardship Report.
3. To update Liability-Auto-Property Stewardship Report.

He stated that items 2-3 focus on management tools to identify and implement risk management initiatives and control cost of risk and losses.

4. To review/update property self inspections and to develop and implement a regular documented self inspection program.

Mr. Ziegmayer discussed the Town/BOE Worker's Compensation claims. On the Town side; claims are mostly Police losses. On the BOE side; Teachers/Administrators claims are mostly slip and fall claims, strains, overexertion. Mr. Grundt stated that CIRMA will be doing some training in these areas.

Mr. Ziegmayer discussed the exposure based on increasing payrolls as well as losses are what is driving the premium. The focus to help reduce these premiums is by addressing the loss causes on a fundamental basis. For property/liability exposure and losses drive the premium.

Chris Bazinet arrived at 5:59PM

Mr. Ziegmayer stated that CIRMA provides all Risk Management Services at no additional charge to the Towns. These services are excellent tools to help reduce losses. The Town recently received an award for the sidewalk ordinance and program. Wethersfield is only 1 of 4 Towns that have this comprehensive program. Mike Turner is also now on the CIRMA Risk Advisory Committee.

Jeff Kotkin left meeting at 6:15PM.

Jeff Grundt stated that the Town is compliant with most of the best practices. There are various union negotiated items that the Town can work on which he will share with the Town Manager.

CIRMA is in the process of developing updated job descriptions that focus on safety. Matthias DeAngelo asked if once the job descriptions are done if they can work with Department Heads to make sure that appropriate methods are being done. He asked how well the Town is doing with bringing people back to work on liability. Jeff Grundt stated that both the Town and BOE are doing well in that area.

The exposure basis developed for property values done by CBIZ created a higher premium cost of \$30,000 and CIRMA is suggesting splitting and only increase \$15,000.

The Workers Compensation increase is 5% rate and 3% exposure increases. The models show that there would need to be a 25% increase but CIRMA realizes that sort of increase is too much now. They suggested breaking up over a period of years with an 8% increase. The Town would have some of the

exposure increase and the BOE would have both the rate and exposure increases.

Wethersfield's premium is not adequate to loss exposure. If the Municipalities work together with CIRMA to drive losses down then future increases might be avoided. The primary focus needs to be at the BOE.

Polly Moon left the meeting at 6:35PM.

Greg Bedula stated that CIRMA had originally come in with a 10% increase. He doesn't recommend taking on a \$25,000 deductible but \$10,000 might save us more premium. To a certain point development factors are legitimate but he wants to take a closer look at them. He stated that he will try to get rates as quickly as possible.

Chris Monroe – SS&S

Chris Monroe stated that with the first 7 months of the year we are in very good shape with claims. He discussed the renewal information. He stated that he ran some tests on experience periods; etc and applied standard underwriting logic and his numbers are within 1% of Anthem's numbers. A 9.3% increase is a conservative number to us for budget for claims. Administrative Fees have been running lower than expected but will still result in a net 3% increase due to estimated claims increases.

Chris stated that individual stop loss has an increase of 45%, which could be as high as \$260,000 in increased costs. He is going to get additional quotes for insurances and will see how those quotes compare to Anthem's. He reviewed the stop loss over the years and on the average it has still resulted to have us maintain a \$100,000 stop loss. He feels that there needs to be further review in this area.

The summary as of 12/31/08 estimates a 7.2% increase; if you factor in January, then the increase is 5.3%. Chris wants to see if February results in any better numbers.

Anthem uses a 12% claim adjustment. Chris performed a historical trend analysis from 2003 to January 2009; it shows for most of the years that the Town did better than the trend analysis done by Anthem's published trend numbers. Chris feels that the claims estimate will come down and could possible be a 5% increase.

Old Business – None

New Business –

Sey Adil asked if there will be a reserve built in the fund this year. Lisa Hancock stated that it will all depend on how we end our year.

Matthias DeAngelo moved to table the Financial Reports to their next meeting. This was seconded by Sey Adil; motion carried unanimously.

Adjournment –

Sey Adil moved to adjourn at 7:30 PM, seconded by Paul Meade. Motion carried unanimously.